Factors that influence price of housing land US(MECE Framework):

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                    Price of a housing land across US
                    /                                \
              Demand side                        Supply side
                  |                                   |
          Number of households                  Selling numbers
                  |                                   |
           Economic growth                     Housing land supply
                  |
         Mortgage availability
                  |
        Demand for housing land
                  |
        Affordability of housing
                  |
            Interest rates
                  |
          Geographic location
```
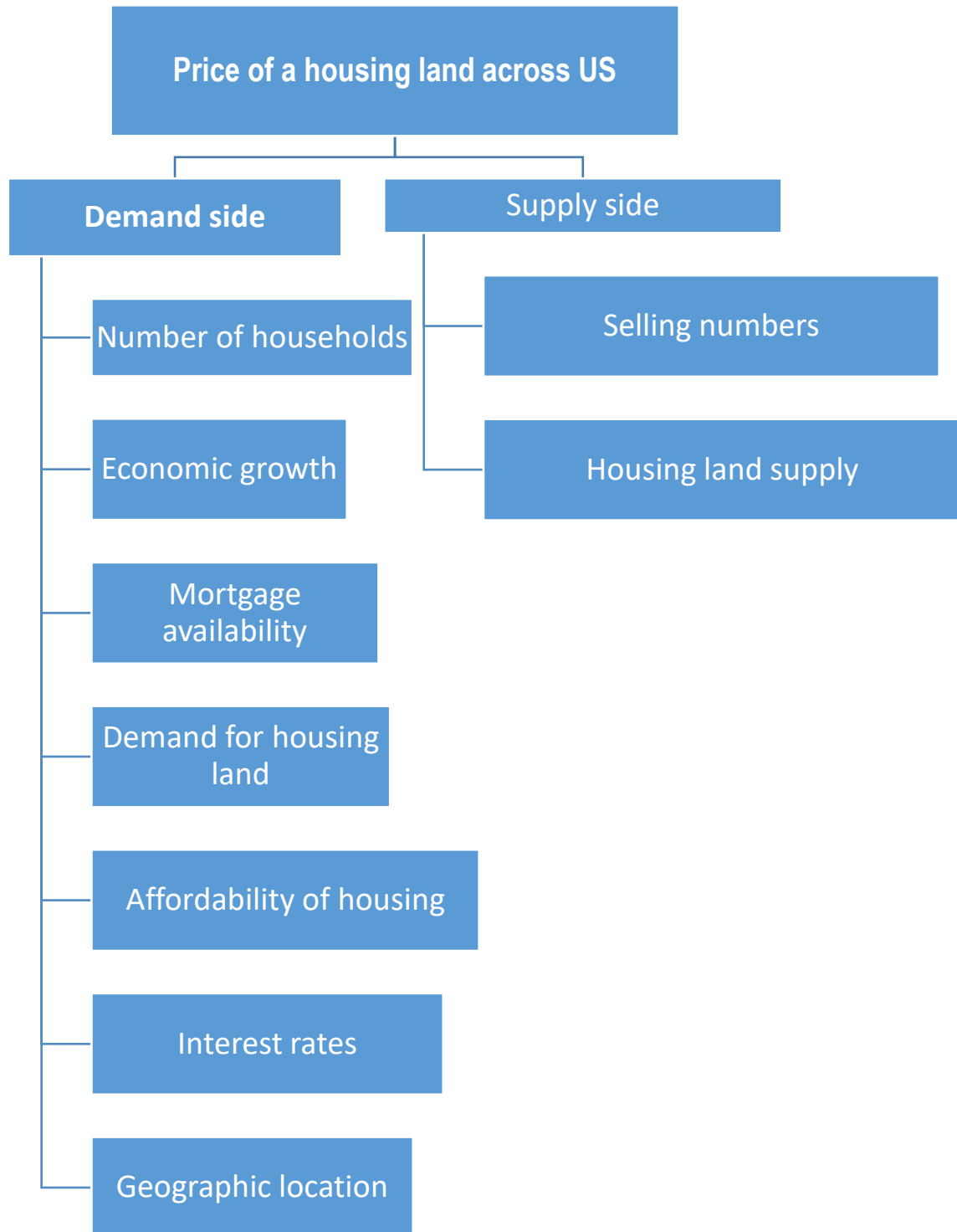
Economic growth:

Income is the main part to buy a housing land. With higher income people tend to buy houses this pushes the prices up. On the other hand falling income will mean people can't manage the mortgage payments. Hence economic growth influences the prices of housing land.

Unemployment:

When unemployment is happening very few people will be able to afford for housing and also fear of unemplyment may cause people not buy lands.

Supply:

Supply is directly influence the price of US land pricing. A shortage of supply may push the price up. Excess supply will cause prices to fall.

Interest rates:

Interest rates affects the mortgage payments and a high interest rate would increase high mortage payments which ultimately lead to decrease in buying of mortgage.


Interest rate vs Year [source: FRED economic data]

Demand vs Year [source: FRED economic data]
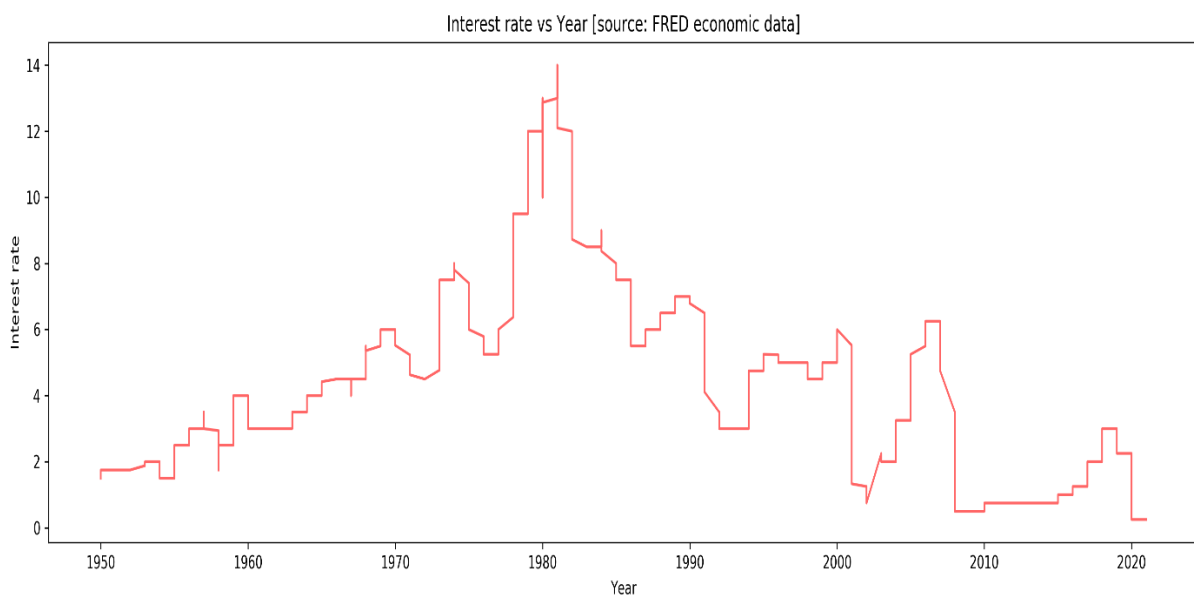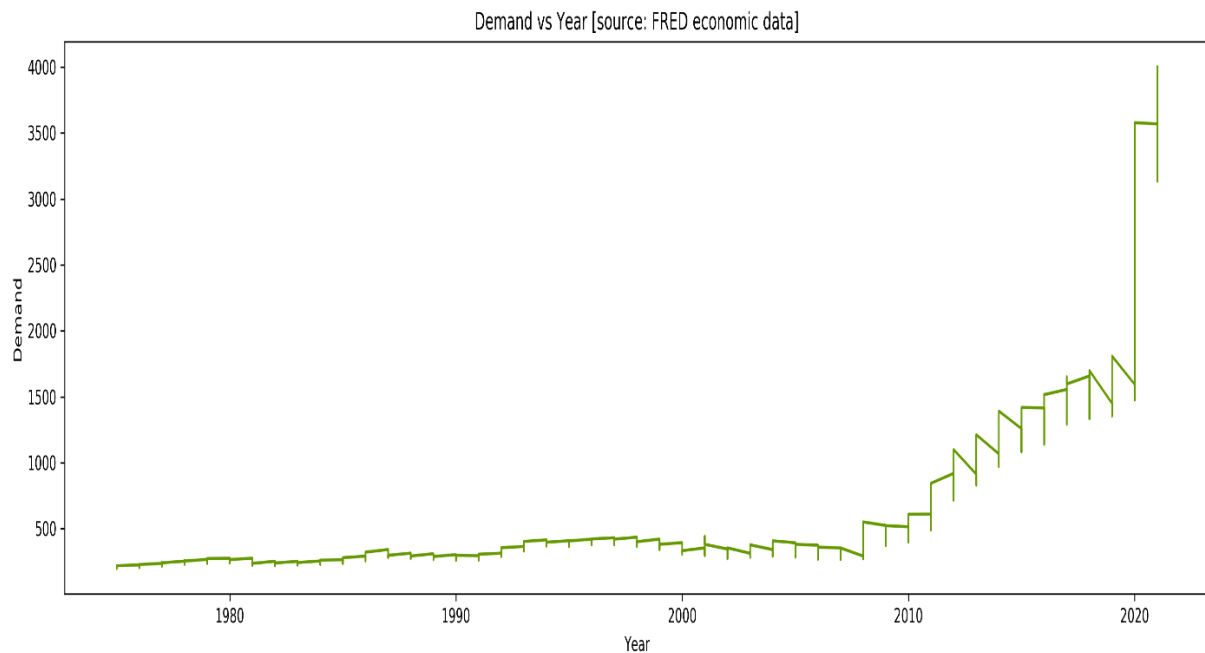
From the above 2 graphs we can infer that demand of housing land went down went there is sudden sharp increase in interest rate. For example in the year 1980 there is sudden increase in interest rate and we can see no much demand in buying land. But in the case after 2010 the interest rate went down and there is increase in demand of buying housing lands thus interest rate affects the demand of housing.

Pricing:

From the below plot we can see that for every five years the price index of US housing have grown positively. After 2005 the price index went to peak and within 10 years it grown positively again reach ing 225 price index.

PAST 10 YRS US HOUSE PRICING [source: FRED economic data]
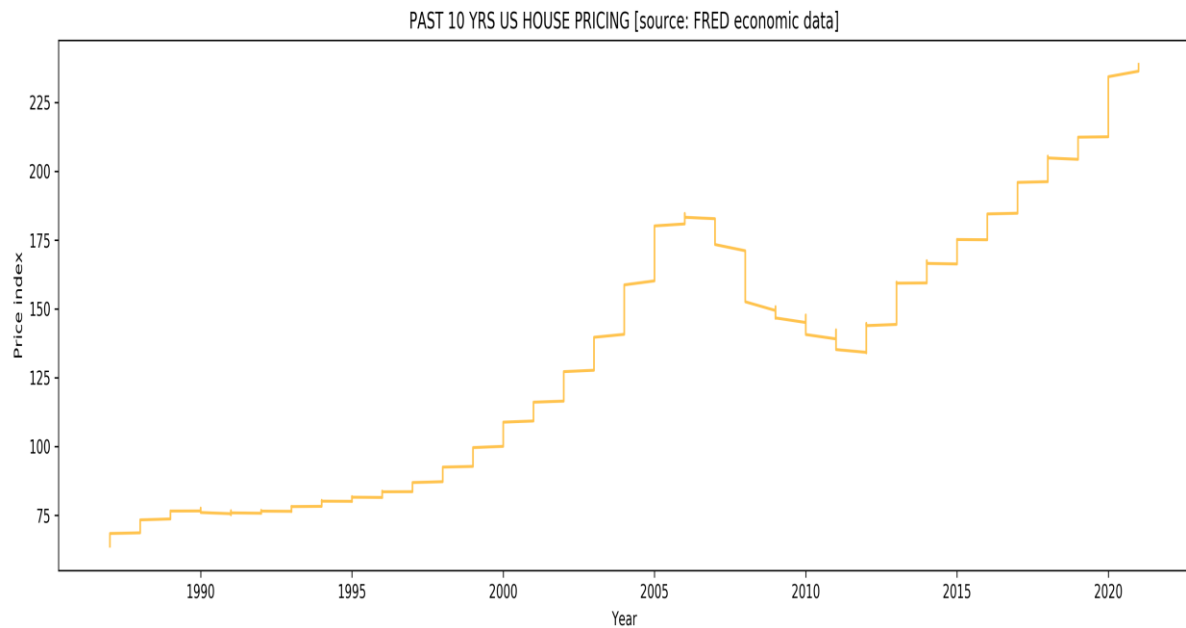
Geographical Location:

From this chart we can infer that South region of US have grown positively more with good pricing index value compared to other regions. Geographical region south shows the trend is positive and always high compared to other regions. For example, South region would have more railways and good road infrastructures compared to other regions.

Regional pricing value